

PRICING SUPPLEMENT



**ASIAN DEVELOPMENT BANK
GLOBAL MEDIUM-TERM NOTE PROGRAM**

Series No: 984-00-1

EUR1,250,000,000

0.20 per cent. Global Notes due 25 May 2023

Issue price: 99.866 per cent.

Joint Lead Managers

BNP PARIBAS

Citigroup

Crédit Agricole CIB

Goldman Sachs International

The date of this Pricing Supplement is 23 May 2018.

This pricing supplement (the “Pricing Supplement”) is issued to give details of an issue of EUR1,250,000,000 0.20 per cent. Global Notes due 25 May 2023 (the “Notes”) by the Asian Development Bank (“ADB”) under its Global Medium-Term Note Program and to provide information supplemental to the Prospectus referred to below.

This Pricing Supplement supplements the terms and conditions of the Notes set forth in the Prospectus dated 28 April 2011 (as amended and supplemented and together with the documents incorporated by reference therein, the “Prospectus”) and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, capitalized terms used herein have the meanings given to them in the Prospectus.

The issue of the Notes was authorized pursuant to a global borrowing authorization of the Board of Directors of ADB dated 13 December 2017.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes are not required to be and have not been registered under the U.S. Securities Act of 1933, as amended. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Pricing Supplement. Any representation to the contrary is a criminal offense in the United States.

The distribution of this Pricing Supplement or the Prospectus and the offer and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Pricing Supplement or the Prospectus comes are required by ADB and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Pricing Supplement or the Prospectus, see “Plan of Distribution” in the Prospectus.

The Notes are not the obligation of any government.

TERMS AND CONDITIONS

The following items are the particular terms and conditions of the Notes to which this Pricing Supplement relates. In case of any conflict between such terms and conditions and the terms and conditions set forth in the Prospectus, the terms and conditions set forth in this Pricing Supplement, including Annex A hereof, shall govern.

General Provisions

1. Issuer: Asian Development Bank (“ADB”).
2. Series Number: 984-00-1.
3. (i) Specified Currency (Condition 1(c)): Euro (“EUR”).
- (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(c)): Not applicable.
- (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(c)): Not applicable.
- (iv) Alternative Currency (Condition 7(i)) (if applicable): Not applicable.
4. Aggregate Nominal Amount: EUR1,250,000,000.
5. (i) Issue Price: 99.866 per cent. of the Aggregate Nominal Amount.
- (ii) Net proceeds: EUR1,248,325,000.
6. Specified Denominations (Condition 1(a)): EUR1,000.
7. (i) Issue Date (Condition 5(d)): 25 May 2018.
- (ii) Interest Commencement Date (if different from the Issue Date) (Condition 5(d)): Not applicable.
8. Maturity Date or Redemption Month (Condition 6(a)): 25 May 2023, subject to paragraph 31 below.

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| 9. | Interest Basis (Condition 5): | Fixed Rate (Condition 5(a)) (further particulars specified in paragraph 16 below). |
| 10. | Redemption/Payment Basis (Condition 6(a)): | Redemption at par. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not applicable. |
| 12. | Put/Call Options (Conditions 6(e) and (f)): | Not applicable. |
| 13. | Status of the Notes (Condition 3): | Senior. |
| 14. | Listing: | Luxembourg Stock Exchange. |
| 15. | Method of distribution: | Syndicated. |

Provisions Relating to Interest Payable

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| 16. | Fixed Rate Note Provisions (Condition 5(a)): | Applicable. |
| | (i) Rate(s) of Interest: | 0.20 per cent. per annum, payable annually in arrear. |
| | (ii) Interest Payment Date(s): | 25 May of each year, commencing on 25 May 2019 up to and including the Maturity Date, subject to paragraph 31 below. |
| | (iii) Fixed Coupon Amount(s): | EUR2.00 per Specified Denomination payable on each Interest Payment Date. |
| | (iv) Broken Amount(s): | Not applicable. |
| | (v) Relevant Financial Center: | As set out and defined in the Conditions. |
| | (vi) Additional Business Center(s) (Condition 5(d)): | London. |
| | (vii) Day Count Fraction (Condition 5(d)): | Actual/Actual (ICMA). |
| | (viii) Determination Date(s): | Not applicable. |

(ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:

No Calculation Period shall be adjusted in the event that the first day or last day of such period falls on a day that is not a Business Day.

The last paragraph of Condition 5(a) shall be replaced in its entirety by the following:

“Interest will cease to accrue on each Fixed Rate Note on the Maturity Date unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the specified Rate of Interest up to but excluding the earlier of (i) the date on which actual payment of principal is made, or (ii) the 15th calendar day following the receipt of such payment of principal by the Paying Agent.”

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| 17. Floating Rate Note Provisions (Condition 5(b)): | Not applicable. |
| 18. Zero Coupon/Deep Discount Note Provisions (Conditions 5(c) and 6(c)): | Not applicable. |
| 19. Index-Linked Interest Note Provisions: | Not applicable. |
| 20. Dual Currency Note Provisions: | Not applicable. |

Provisions Relating to Redemption

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| 21. Call Option (Condition 6(e)): | Not applicable. |
| 22. Put Option (Condition 6(f)): | Not applicable. |
| 23. Final Redemption Amount: | Aggregate Nominal Amount. |
| (i) Alternative Payment Mechanism (Conditions 7(a) and (c)): | Not applicable. |
| (ii) Long Maturity Note (Condition 7(f)): | Not applicable. |

(iii) Variable Redemption Amount (Condition 6(d)): Not applicable.

24. Early Redemption Amount:

- (i) Early Redemption Amount(s) payable on an Event of Default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions.
- (ii) Unmatured Coupons to become void (Condition 7(f)): Not applicable.

Additional General Provisions Applicable to the Notes

25. Form of Notes: Registered Notes.
- Global Registered Note registered in the name of a nominee of the common safekeeper for Euroclear and/or Clearstream, Luxembourg available on the Issue Date; not exchangeable for individual Definitive Registered Notes.
- New Global Note/New Safekeeping Structure: Yes, New Safekeeping Structure applies (see Annex A).
- Definitive Registered Notes: Not applicable.
26. Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature): Not applicable.
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of ADB to forfeit the Notes and interest due on late payment: Not applicable.
28. Details relating to Installment Notes: Not applicable.

29. Redenomination, renominialization and reconventioning provisions: Not applicable.
30. Consolidation provisions: Not applicable.
31. Other terms or special conditions:
- (i) Payment Dates: If any date for payment of any principal or interest in respect of the Notes is not a Business Day, ADB shall not be obliged to pay such principal or interest until the first following day that is a Business Day and shall not be obliged to pay any interest or other payment in respect of such postponed payment.
- “Business Day” shall mean a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and a day which is a TARGET Business Day.
- (ii) Record Date (Condition 7(c)(i)): Condition 7(c)(i) is hereby replaced by the following provision:
- “Payments of principal (including Installment Amounts), premium (if any) and interest (including interest on Installment Amounts) in respect of Registered Notes held under the New Safekeeping Structure shall be made to the person shown on the Register at the close of business at the office of the Registrar on the business day on which each of Clearstream and Euroclear is open for business immediately before the due date for payment thereof (the “Record Date”) and, in the case of payment of principal, against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in subparagraph (ii) and (iii) below.”

Distribution

32. (i) If syndicated, names of Managers: BNP Paribas
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
Goldman Sachs International
- (ii) Stabilizing Manager (if any): Not applicable.
- (iii) Commissions and Concessions: 0.00 per cent.
33. If non-syndicated, name of Dealer: Not applicable.
34. Additional selling restrictions: The following two paragraphs shall be deemed to be set out in the section entitled “Plan of Distribution” in the Prospectus, respectively:

Belgium

The offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and no Notes have been offered, sold or resold, transferred or delivered nor will be offered, sold or resold, transferred or delivered and no prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes has been distributed nor will be distributed, directly or indirectly, to any Belgian Consumer.

France

“No prospectus (including any amendment, supplement or replacement thereto or any other offering material relating to the Notes) has been prepared in connection with the offering of the Notes

which has been approved by the French Autorité des marchés financiers or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the French Autorité des marchés financiers and to the Issuer; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the materials relating to the Notes (including the Prospectus and this Pricing Supplement) have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; any offer, sale and distribution of the Notes has been and shall only be made in France to providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) as defined in, and in accordance with Articles L.411-2-II-1 and D.321-1 of the French Code monétaire et financier, and/or qualified investors investing for their own account (investisseurs qualifiés agissant pour compte propre) other than individuals, as defined in Articles L. 411-2-II-1 and D. 411-1 to D.411-4, of the French Code monétaire et financier. The direct or indirect distribution to the public in France of any Notes may be made only as provided by French laws and regulations (in particular Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier).”

Operational Information

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| 35. | (i) ISIN: | XS1824294901 |
| | (ii) CUSIP: | Not applicable. |
| | (iii) CINS: | Not applicable. |
| | (iv) WKN: | Not applicable. |
| 36. | Common Code: | 182429490. |
| 37. | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | Euroclear and Clearstream, Luxembourg only. |
| 38. | Delivery: | Delivery against payment. |
| 39. | Additional Paying Agent(s) (if any): | Not applicable. |
| 40. | Governing Law: | English. |
| 41. | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes.

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear and Clearstream, Luxembourg (the “ <u>ICSDs</u> ”) as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. |

Listing Application

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the Global Medium-Term Note Program of ADB.

Material Adverse Change Statement

There has been no material adverse change in the financial position or prospects of ADB since the date of the financial statements included in the Information Statement of ADB, which was most recently published on 25 April 2018.

Recent Developments

On 5 May 2018, ADB's Board of Governors approved the following with respect to its 2017 reported net income of U.S.\$753.3 million, after the allocation of income from the transfer of Asian Development Fund loans and certain other assets to the ordinary reserve and appropriation of guarantee fees to the special reserve:

- a. U.S.\$49.0 million, representing the ASC 815/825 adjustments and the unrealized portion of net income from equity investments accounted for under the equity method, for the year ended 31 December 2017, be added from the net income to the cumulative revaluation adjustments account;
- b. U.S.\$14.2 million, representing the adjustment to the loan loss reserve as of 31 December 2017, be added from net income to the loan loss reserve;
- c. U.S.\$350.7 million be allocated to the ordinary reserve;
- d. U.S.\$259.4 million be allocated to the Asian Development Fund; and
- e. U.S.\$80.0 million be allocated to the Technical Assistance Special Fund.

Responsibility

ADB accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Prospectus referred to above, contains all information that is material in the context of the issue of the Notes.

New Safekeeping Structure (“NSS”)

The Notes are intended to be issued under the “New Safekeeping Structure” or “NSS.” The New Safekeeping Structure consists of a specific holding structure and custody arrangements for notes established in 2010 by Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream” and together with Euroclear, the “ICSDs”), in cooperation with market participants, so that notes held under the NSS would comply with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of the central banking system for the Euro (the “Eurosystem”), and thereby, be eligible as collateral in Eurosystem operations, subject to the conclusion of the necessary legal and contractual arrangements. The intention to issue the Notes under the NSS by, among other things, depositing the Notes with a common safekeeper and registering the Notes in the name of a nominee of the common safekeeper does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

The Notes will be registered in the name of a nominee of a common safekeeper of the ICSDs, and the relevant Registered Note will be deposited on or about the issue date with the common safekeeper of one of the ICSDs. In this Pricing Supplement and in the Prospectus, “Noteholder” and, in relation to the Notes, “holder” means the person in whose name a Registered Note is registered which, for so long as the Registered Note related to the Notes is held by or on behalf of a common safekeeper for the ICSDs will be a nominee of the common safekeeper. All payments on the Notes will be made to the person shown on the Register at the close of business on the Record Date (as defined in Condition 7(c)(i)), which, with respect to the Notes, is the business day on which each of Clearstream and Euroclear is open for business immediately before the due date for payment thereof.

ISSUER

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